



August 16, 2005

California Department of Water Resources  
Division of Planning and Local Assistance  
Attn: Tracie Billington  
PO Box 942836  
Sacramento, CA 94236-0001

**RE: COMMENTS ON DRAFT PROPOSAL SOLICITATION PACKAGE (PSP) FOR  
IRWM IMPLEMENTATION GRANTS, STEP 2**

Dear Ms. Billington:

Thank you for the opportunity to comment on the Draft Proposal Solicitation Package (PSP) for Integrated Regional Water Management Implementation, Step 2. There are two items I would like to recommend for clarification and improvement of the proposed Step 2 PSP:

1. Eligibility Requirements, Section III, Urban Water Management Plans.

The guidelines for the PSP indicate that compliance with the Urban Water Management Planning Act (UWMP) is prerequisite for receiving a grant award under the Step 2 process. Please note that some water suppliers are not required to file a UWMP under the UWMP Act because they do not exceed the minimum number of connections etc. It is likely that many IRWM applications will include some participants that are not required to file a UWMP together with some participants that are required to do so. The proposal solicitation should more clearly state how this rule will be applied to IRWMP applications where such conditions exist among agencies participating in the same application.

The PSP should indicate that, though the state may find that a specific participant within an IRWMP application is ineligible due to that participant's non-compliance with UWMP Act requirements, other participants that are part of the same application that are not required to file a UWMP will nonetheless remain eligible for the grant award. Alternatively, the guidelines could be revised to say that grant awards to an applicant will be made but actual funding to a participant will be contingent on the participant's demonstrating compliance with UWMP Act requirements.

2. Economic Analysis, Section IV, Requirements for Attachment 7

Attachment 7 requirements mandate preparation of fully discounted, 50-year life cycle, economic analyses for projects. This requirement exceeds the standard provided in IRWM Grant Program Guidelines which require an enumeration of costs and benefits and allows use of physical units as an alternative to economic terms. Many IRWM applications include several participating agencies and several projects and compliance with this requirement will be a large cost burden and a significant disincentive for disadvantaged communities to participate in the program.

Please consider restating terms for Attachment 7 to require a statement of project costs and benefits that identifies project costs and estimates of project water supply and water quality benefits in economic and/or physical terms. Alternatively, the requirements could indicate that the state will provide engineering support to disadvantaged communities in completion of the economic analysis required for this attachment.

If you have questions about these points please call me. I extend my compliments on your Department's thorough implementation of this important program.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Randy D. Poole', is written over a horizontal dotted line.

Randy D. Poole  
General Manager / Chief Engineer